



**An Introduction to
EB-5 Direct &
How to Evaluate A Project**

Today's Agenda



Introductions

An Introduction to the EB-5 Direct Program

How a Direct Project is Different from a Regional Center Project

How to Evaluate an EB-5 Project



Christian Triantaphyllis

Partner, Houston at Jackson Walker

Christian leads Jackson Walker's Investment Immigration practice, represents foreign nationals and immigrant investors in cross-border and business immigration matters. In his practice, Christian regularly serves as counsel to real estate developers, regional centers, private equity funds, and family offices, and advises those on structuring potential EB-5 funding by providing analysis on project business plans, securities offerings, and economic reports.



John M. Baker

Chief Marketing Officer at LCR Capital Partners

John Baker is the Chief Marketing Officer at LCR Capital Partners. He manages how the firm is positioned, lead generation, and marketing partnerships. Prior to LCR, John was Chief Marketing Officer of Mirum, a 2,000-person agency he helped found inside J Walter Thompson and WPP. John started his digital marketing career in 1995 and has held global roles based in New York and London.



LCR is a private investment and advisory services firm that supports families interested in global opportunities



7
Offices
Worldwide

850+
High Net Worth
Clients

30+
Countries

\$300m+
Assets Under
Management

3
Business
Lines



We believe access to global markets, particularly the United States, can transform the lives of our clients. We know that foreign investors create jobs and help build communities.

Our mission is to be a trusted partner that helps global families achieve their full potential by increasing access to new markets and new opportunities for them.

A Quick Disclaimer

THIS MARKETING PRESENTATION DOES NOT CONSTITUTE AN OFFER TO SELL SECURITIES. ANY SUCH OFFER WILL BE MADE ONLY PURSUANT TO THE DEFINITIVE OFFERING DOCUMENTS AND ONLY TO SUCH PERSONS AND IN SUCH JURISDICTIONS AS IS PERMITTED UNDER APPLICABLE LAW. INVESTMENT IN A PROJECT INVOLVES VARIOUS RISKS AS DESCRIBED IN THE OFFERING.

NONE OF THE INFORMATION CONTAINED HEREIN MAY BE CONSTRUED AS LEGAL ADVICE. ALL INFORMATION PROVIDED IS GENERAL INFORMATION BASED UPON USCIS GUIDANCE AND STANDARDS. EACH INDIVIDUAL MUST CONSULT WITH AND RELY SOLELY UPON AN EXPERIENCED IMMIGRATION ATTORNEY TO OBTAIN INDIVIDUALIZED ADVICE AND GUIDANCE ABOUT ANY DECISION RELATED TO ANY ASPECT OF THE IMMIGRATION PROCESS.

The EB-5 Immigrant Investors Visa



A Well-Defined Federal Program

The EB-5 Immigrant Investor Visa is a US federal program that allows qualified foreign investors and their immediate family members to obtain **permanent residency** by making an investment in the US that creates jobs.

Created in 1990, the program has allowed **more than 80,000 families** move to the US and generated more than **\$40 billion in direct investment** into US communities.



**U.S. Citizenship
and Immigration
Services**

The EB-5 Immigrant Investors Program is administered by the United States Citizenship and Immigration Services agency (USCIS) which is part of the Department of Homeland Security.



U.S. DEPARTMENT *of* STATE

Green Cards, travel documents and passports are issued by the US Department of State. The Department of State also manages all consular interviews and overseas visa processing.

Because an EB-5 investment is a US financial product, all private placement memorandum are regulated by the US Securities and Exchange Commission (SEC).



**Securities and
Exchange
Commission**

A clear way to achieve permanent residency in the US

The EB-5 Immigrant Investor Program is a US federal program that allows qualified investors and their immediate families to obtain permanent residency by making an investment in the US that creates jobs.

About The EB-5 Investor Visa



TIME TO RESIDENCY

24 - 36 months for conditional Green Card



INVESTMENT TYPES

Direct or through a Regional Center



FAMILY

Full residency and working rights for investor, spouse, and children up to 21 years old (at filing)



PATH TO CITIZENSHIP

5 years after receiving conditional Green Card



INVESTMENT

\$500,000 for a project in a Targeted Economic Area



INVESTMENT TIME

Minimum five year period. Investment principal can be returned when permanent residency is achieved

EB-5 Regional Center vs Direct Program

EB-5 Direct Program

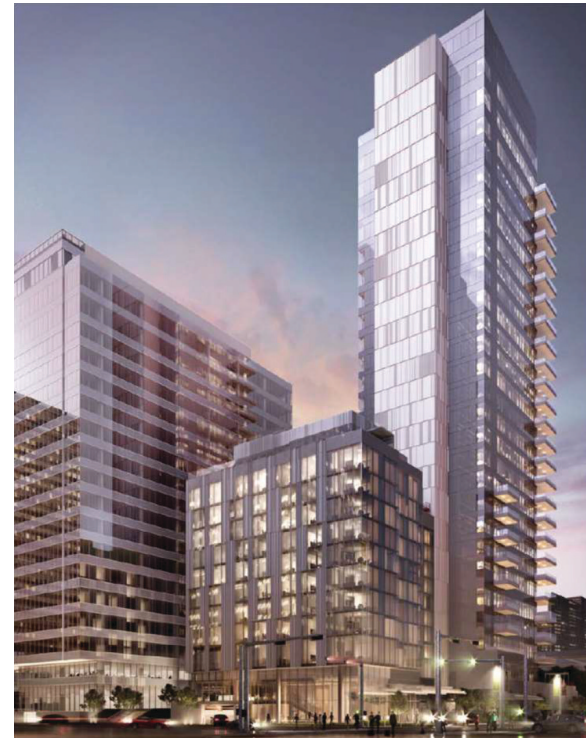
Permanent part of the US Immigration Code based on a direct, equity investment in a US business that will create 10 full-time positions and maintain them for 2 years.



Small Businesses
Retail Franchise Locations

EB-5 Regional Center Program

Created in 1992, this program has been authorized by Congress to increase investment by allowing investment via general partnerships managed by regional centers that pool capital for investment as a loan to larger projects.



Large Projects
Real Estate & Hospitality

Example EB-5 Direct Projects

Early-stage Ventures



Seed or Series A investments in new ventures. Investment is commonly preferred equity in the overall venture.

Single Location Restaurants



Independent restaurants or small chains. Investment tends to be preferred equity in the restaurant LLC.

Franchise Restaurants



Established chains with franchising structure. Investment is in single location or small number of locations in an LLC.

What is the same between the two programs?

	EB-5 Direct	EB-5 Regional Center
Management	Department of Homeland Security / USCIS & Department of State	Same
Investment Level	\$500,000 / \$1,000,000	Same
TEA Definition	Unemployment > 150% National Avg Rural Area	Same
Eligibility	Accredited Investor No immigration issues Clear Source of Funds	Same
Source of Funds	Documentation of original source or all funds including gifts	Same
I-526 Template	Full background information	Same
Processing Time	I-526 Petition – 1-3 years Conditional GC – 2 years I-829 Approval – 2-3 years	Same

What is different between the two programs?

	EB-5 Direct	EB-5 Regional Center
Authorization	Permanent Part of the Immigration Code	Authorized by Congress through the Regional Center Program legislation
Investment Type	Direct Equity Investment	Pooled Investment in Regional Center Managed Fund that backed by Debt or Equity
Management	Active or Passive	Passive
Legal Complexity	Less complex – direct equity investment in an LLC	More complex – terms of partnership and role of fund versus developer
Job Creation	Direct Fulltime Positions Only	Direct & Indirect positions
Project Documentation	Business Plan	Business Plan & Econometrics Report
Return	Tend to be higher (1-3%)	Minimal (< 1%)
Exit	Simpler	Require loan repayment

EB-5 Program Requirements

Minimum Capital Investment

\$500,000 invested over 5-7 years

Background Check

No violations of US immigration laws, criminal convictions, or history of financial fraud are permitted

Documented Source of Funds

Requires documentation proving that the Capital Investment was earned legitimately

“At Risk” Investment

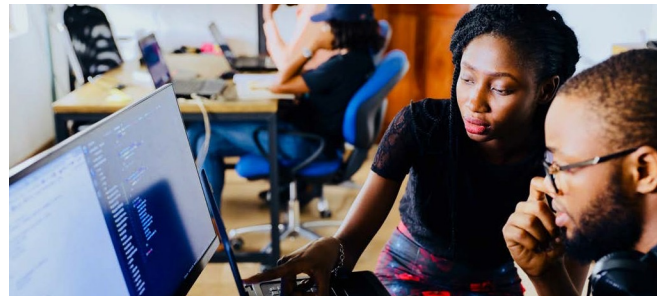
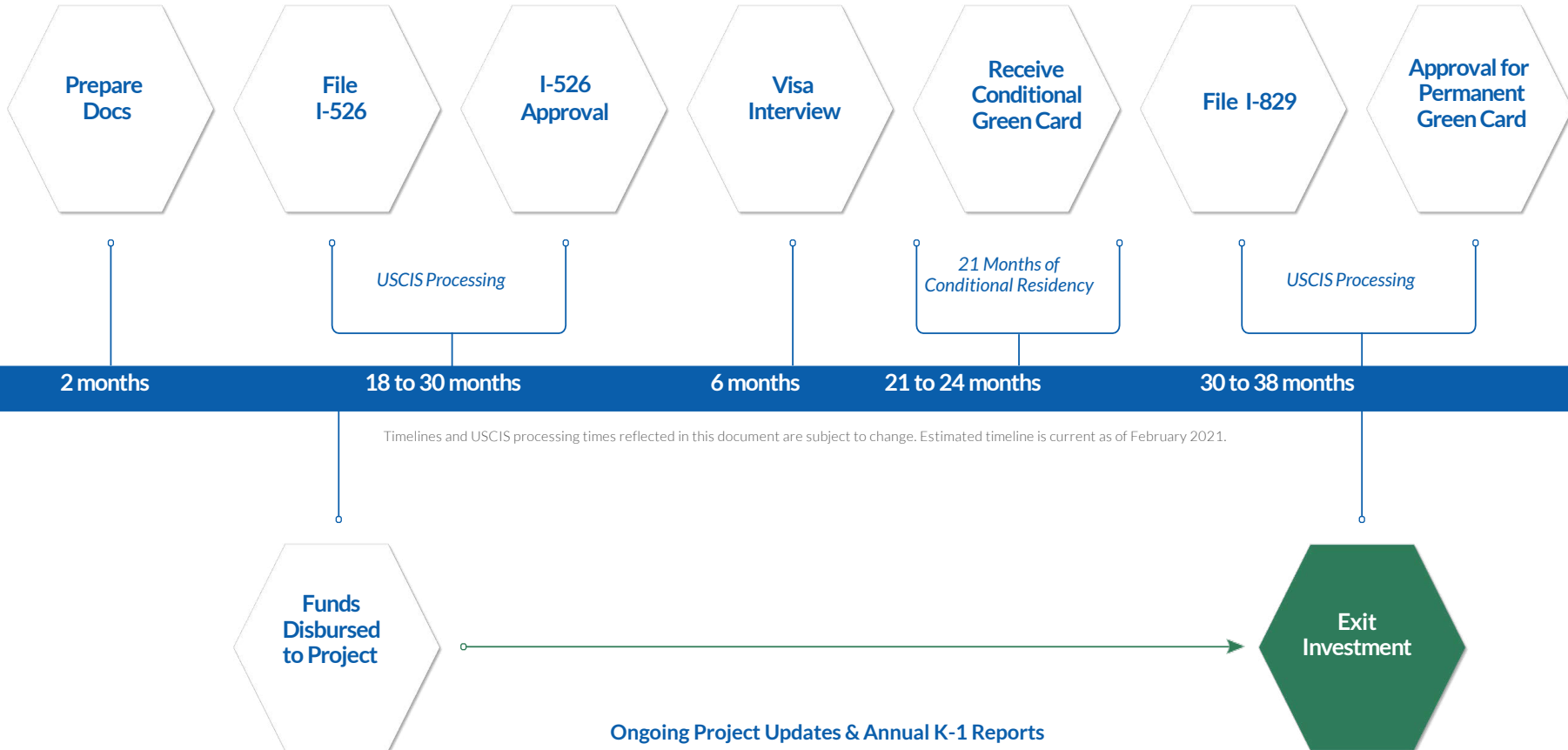
The investment must be fully invested in the American economy until the submission of the EB-5 investor’s I-829 petition to USCIS



EB-5 Timeline

IMMIGRATION

INVESTMENT



Attributes of a Good EB-5 Project

The project must be able to present econometric reports demonstrating it will create the minimum 10 jobs per investor required by law. To ensure the project will move forward, it is important to see proof that construction has begun.

Compliant
Documentation

Job
Creation

Financial
Structure

USCIS approval based on EB-5 compliant project documentation. Proof that the project is in a Targeted Employment Area (TEA) to ensure the \$500,000 investment level.

EB-5 capital should be under 40% of the project financing. The other debt providers and equity holders should be high quality institutions. Good projects have clear collateral or equity for the EB-5 loan and an easy to articulate exit strategy for repayment of EB-5 investors.



Additional Issues to Consider with EB-5 Direct



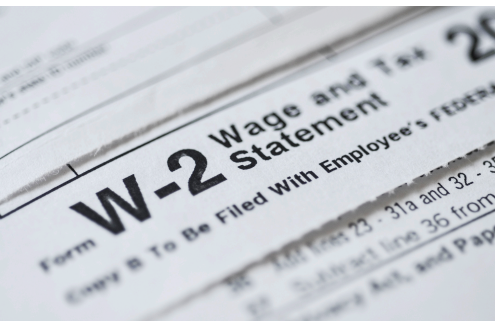
Longevity of the Concept
100% ownership of Job Creating Enterprises (JCEs)



Allocation of jobs by investor
Clear record keeping on W2 employees including E-Verify



Rights & Preferences
Capital return
Asset protection
Company reporting



Questions & Answers

LCR's mission is to be a **trusted partner** that helps families access **global opportunities** to achieve their **full potential**.

